

## ***Social Security Frequently Asked Questions (FAQ)***

### ***En Español\****

April 25, 2005

**Q:** *What is Social Security and who should be concerned about it?*

**A:** Social Security is a guaranteed lifetime benefit for retirees, based on earnings and payroll tax contributions. It offers an essential source of income and support for many Americans. Social Security does more than support the elderly. It is a financial lifeline to wives and husbands who have lost a spouse, to children who have lost a parent, and to the disabled. Since the vast majority of Americans, including Members of Congress, pay into Social Security and are eligible to receive benefits, everyone should be concerned about the future solvency of the program. For detailed information on Social Security, please consult the Social Security Administration web site: <http://www.ssa.gov>

**Q:** *Why does the Social Security System need to be reformed? How urgent is this need?*

**A:** Social Security has been a spectacular success, saving millions of American seniors, survivors, and disabled from poverty. However, the long-term combined effects of baby boom retirement, an aging population, and our current budget crisis will put the program in a precarious position. While the problem is not immediate, unless we make changes soon, the system will not be able to pay full promised benefits in the long term. For more information on the financial projections for Social Security, please click here: <http://www.ssa.gov/pubs/10055.html>

**Q:** *What is President Bush's proposal to reform social security?*

**A:** The President has not yet released all of the details of his specific plan, but based on what we've heard about the proposal so far it calls for the establishment of private savings accounts using monies diverted from the current payroll taxes that people pay to support the current Social Security system. It also reduces the Social Security benefit for retirees, participating in the private account program. Based on information we have, it appears the President proposal would require borrowing, perhaps as much as 5 trillion dollars in the first two decades of implementation. President Bush's plan for private accounts does not fix the problem of Social Security's long-term solvency and may even worsen it.

**\*Para información detallada sobre el seguro social en Español, consulte el sitio de la administración de seguro social (SSA): <http://www.ssa.gov/espanol/publist2.html>**

**Q:** *Does Senator Lieberman support the President's plan?*

**A:** No, he does not support the President's plan because it would not preserve the essential guaranteed Social Security benefit and would add trillions of dollars in debt.

**Q:** *Where does Senator Lieberman stand on the issue of private accounts?*

**A:** Senator Lieberman is against the President's proposal to privatize Social Security through the establishment of private accounts carved-out of the current system. On March 3, 2004, Senator Lieberman joined 41 of his Democratic colleagues in the Senate urging the White House to reject the President's idea of private accounts funded with Social Security dollars. For the full text of the letter, click here: <http://lieberman.senate.gov/newsroom/release.cfm?id=232853>

Senator Lieberman also strongly supports initiatives to encourage savings. In the past, Senator Lieberman has supported a proposal called Kidsave, a plan that would complement Social Security benefits, not subtract from them, by providing children with seed money at an early age to invest into the market which would help them develop a nest egg for retirement.

**Q:** *Is there any reform plan that Senator Lieberman does support?*

**A:** Senator Lieberman believes Social Security is a vital safety net and that any reforms must reinforce, not unravel, the program. He believes that all who want to strengthen Social Security, as he does, have an obligation to engage in the important reform debate with an open mind and to offer constructive reform proposals. At this time he has not formally declared his support for any plan to reform Social Security, but has said that he will consider only reform proposals that strengthen the program, not those that undermine it.